

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 808 - HB 1586

March 27, 2021

SUMMARY OF BILL: Creates the *Adequate Funding Program for Education*.

Requires the dollar value of the Basic Education Program (BEP) instructional salaries and wages position components (Components) for a fiscal year to be the greater of dollar value of the BEP Components set for the previous fiscal year or the average of the salaries of all persons in every local education agency (LEA) employed in a position described in the Components of the BEP in the previous fiscal year.

Requires the BEP to fund the salaries of positions described in the Components of the BEP filled by persons employed by LEAs in positions for which the LEAs did not receive BEP funding in the previous fiscal year, one public school nurse, one full-time school counselor, one full-time Response to Instruction and Intervention (RTI²) program interventionist, and one technology coordinator position for each public school in every LEA.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$868,297,300/FY21-22 and Subsequent Years

Increase Local Expenditures – \$4,595,400/FY21-22 and Subsequent Years*

Assumptions related to Components funding:

- The proposed language would require the BEP Components to be calculated using the greater of two calculations. Based on information provided by DOE, the average of the salaries of all persons in every LEA within certain positions is estimated to be the greater calculation.
- The average of such salaries is \$55,554
- The BEP formula was re-run using \$55,554 as the Component. Increasing the Components salaries will result in an increase in state expenditures of \$399,545,000 (\$5,309,808,000 increased average - \$4,910,263,000 current cost) for BEP instructional positions.
- The proposed language also requires the BEP to fund additional Components positions. ill). At the proposed level of funding of \$55,554, the increase in state expenditures is estimated to be \$360,396,906 in FY21-22 and subsequent years.

Assumptions related to school nurse positions:

- The BEP formula currently funds school nurse positions at a ratio of 1:3,000 students.
- Based on information provided by the Department of Education (DOE), changing the funding ratio for school nurse positions to one for each school in each LEA increases the number of school nurse positions funded through the BEP from 358.2 to 1803, for an increase of 1444.8 school nurse positions.
- The state share of the BEP will fund approximately \$42,367 per nursing position.
- The additional school nurse positions will increase state expenditures \$61,211,842 (\$42,367 x 1444.8) in FY21-22 and subsequent years.
- School nurse positions are funded in the classroom component of the BEP.

Assumptions relative to technology coordinators:

- The BEP formula currently funds technology coordinator positions at one for each LEA or at a ratio of 1:6,400 students.
- Based on information provided by DOE, changing the funding ratio for technology coordinator positions to one for every school in each LEA increases the number of technology coordinator positions funded through the BEP from 294.6 to 1,803, for an increase of 1,508.4 technology coordinator positions.
- The state share of the BEP will fund approximately \$31,254 per technology coordinator position.
- The additional technology coordinator positions will increase state expenditures \$47,143,534 (\$31,254 x 1508.4) in FY21-22 and subsequent years.
- Technology coordinator positions are funded in the non-classroom component of the BEP.

Assumptions relative to total state impact:

- The proposed language would require all Components positions within an LEA not currently funded by the BEP, to be funded. This increase in the positions funded will include the additional positions resulting from changing the ratios for counselors and RTI² interventionist positions; therefore, the specific increases in expenditures for these positions are not included when calculating the total increase to state expenditures.
- School nurses and technology coordinators are not included in the Components positions; therefore, the increase in state expenditures related to additional school nurses and technology coordinators will require additional funds not accounted for in the language regarding funding for Components positions.
- The total increase in state expenditures is \$868,297,282 (\$399,545,000 Components salary + \$360,396,906 funding for currently unfunded positions + \$61,211,842 school nurses + \$47,143,534 technology coordinators) in FY21-22 and subsequent years.

Assumptions related to local impact:

- The majority of school districts will not need to increase their BEP local match contributions as a result of the proposed legislation, as those districts are currently contributing local funds in excess of the minimum required local match.
- Based on FY19-20 local maintenance of effort levels, five districts will have to increase their local contributions by a total of \$4,595,433 solely as a result of this bill.
- The total mandatory increase in local expenditures is \$4,595,433 in FY21-22 and subsequent years.
- However, future legislation which alters the BEP funding formula may result in local governments utilizing current excess local contributions to fund the minimum local match requirement and a combination of multiple such legislation may result in mandatory increases in local match requirements for certain school districts.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/ah